

INTELLOFAX 31

CENTRAL IN

REPORT NO.

CD NO.

25X1A

# INFORMATION REPORT

COUNTRY

East Germany

SUBJECT

The Effects of the New Course Announced by the SED Central Committee on 9 June 1953

PLACE

ACQUIRED

25X1A

DATE OF INFO.

DATE DISTR.

12 October 1953

NO OF PAGES

3

NO. OF ENCLS.  
(LISTED BELOW)

SUPPLEMENT TO  
REPORT NO.

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THIS IS UNEVALUATED INFORMATION

1. In June and July 1953, instructions given to agencies controlled by the Ministry for Metallurgy and Ore Mining demanded that deliveries not be forced any longer and, instead, normal business relations be maintained. They also demanded that the pressure exerted upon suppliers which caused deliveries to other industrial branches to be delayed cease immediately.

The decision of the Minister Council, dated 22 January 1953, which provided for special measures to increase the metallurgical production, was cancelled.

2. The expansion of the blast furnaces plant for the BZC Fuerstenberg was temporarily stopped after completion of the sixth blast furnace; the seventh and eighth blast furnace were not to be erected within the present five-year plan; and the first electric furnace was not to be put into operation in 1953. As compared with a capacity of 1,000,000 tons per year scheduled so far, the maximum capacity to be reached was limited to 650,000 tons per year and the basic steel plant was scheduled to become the main plant of the works. The plate mill and the blooming mill were scheduled not to be completed until late 1954 and the flat bar rolling mill train only in 1955. The expansion of the rolling mill was reduced and more emphasis was put upon the production of steel bands for the canning industry. The erection of the heavy plate rolling mill was cancelled because heavy plates were to be procured from Poland by barter transactions. The sheet rolling mill was also cancelled and the expansion of the cement production at Fuerstenberg was reduced. Plans for which the 1953 plan was not modified included the BZW Calbe where the expansion was scheduled to advance to furnace No 15 in 1954 and to furnace No 20 in 1955; the Laxhütte Interwellenborn and the Stahl- und Walzwerk Brandenburg where the expansion was to be continued to open hearth furnace No 10, and the blooming mill was expected to be completed on 1 August 1954; however, the semi-finished products rolling mill may not to be erected. Stahl- und Walzwerk Riesa, for the first time, was scheduled to obtain no more new furnaces; the erection of the scheduled 60 tons furnaces and of the 330 mm rolling mill train were cancelled. Stahl- und Walzwerk Hennigsdorf was to obtain no new furnaces. Edolstahlwerk Joehlen remained unchanged. Modifications scheduled for Stahl- und Walzwerk Grossitz included the heat treatment plant which was to be completed as quickly as possible, while the erection of the 3,500 tons and 700 tons presses was cancelled. The erection of the second tube mill...

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automatic machine at Paradiß Rohr- und Walzwerk Chemnitz was cancelled. The Ilmenburg, Kirchzessen, and Finow plants remained unchanged.

3. The erection of Zinkkuppel Freiberg and of the Nickelkuppel St. Egidien, as well as the expansion of the Bleierzgruben (lead or mines) of Albert Pulk Freiberg, especially in the Brandeburg region, for which 42,000,000 eastmarks out of 70,000,000 eastmarks scheduled as total capital investment for one mine in 1954 were earmarked, was to be slowed down by at least one year. The expansion of the tin ore mines was very likely to be reduced, while Zinnberggrube Ehrenfriedersdorf, which was the only mine to produce arsenic ore, in addition to tin was probably to be shut down, if the import of arsenic were insured. Antimon Erzbergwerk Oberbochendorf was also scheduled to be shut down until 1956 if the demand for antimony could be covered by imports.
4. The plants controlled by the State Secretariat for Chemistry were scheduled to produce 40,000,000 kWh to better the current supply of the civilian population. This would involve considerable production decreases for the Leuna, Buna and EK-Bitterfeld plants. A decision was expected from the Ministers Council. In late June 1953, considerable quantities of fuel were released from state stocks for better supply of the private economy. It seemed probable that, except for plants where the construction work was already far advanced, the planned expansion of fuel producing plants would not be executed in 1953.
5. Decisions by the Ministers Council provided for considerable cuts of delivery quotas for farmers. The norms had already been reduced for various categories of farms, involving cuts by 8 to 20 percent for farms of 1 to 20 hectares.
6. The activity of the Bureau fuer Wirtschaftsfragen (office for economic affairs) which was redesignated Ministerium des Innern, Abteilung Auftragserteilung (Ordering Department of the Ministry of Interior) was especially affected by the new course. Clothing made for the VP was scheduled to be immediately delivered to the HC for sale to the population and materials not yet used were returned by the Ministry of the Interior to the State Plan Commission.
7. The production of cross country cars by VEB Lwa-Mitten was reduced.
8. Fifty new and heavy cross country tank cars with a capacity of 3,000 liters of fuel and 150 liters of motor oil with olive drab containers were offered to DZKM for sale. 2
9. It was announced at a meeting of SED functionaries of the VEB Leipzig (sic) that all construction work in East Germany scheduled for military purposes, including airfields and submarine harbors was to be stopped on 9 June 1953 and that all materials and workers released by this measure were scheduled to be employed for the housing construction program. The HC was offering building materials which had previously been rationed and were allocated only for industrial buildings, for instance, cement was rationed.

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2. [ ] Comment. The vehicles are allegedly parked in the Goerlitz-Bittau region. It seems probable that they were scheduled for the RVP.

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3. [ ] Comment. The final version of the 1953 plan modifications decided upon since 9 June 1953 is not to be expected very soon, and, to a large extent, will depend on whether the USSR will be willing to reduce its reparations demand. If the export commitments are not reduced, the effects of the new course are likely to fall short of the expectations of the population and the intentions of the East German Government. Priority can, at any rate, only gradually be shifted to the consumer goods.

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